

**UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS**

ERIC R. BAHE, Custodian, CGM Roth
Conversion IRA,

Plaintiff,

v.

FRANKLIN/TEMPLETON DISTRIBUTORS,
INC., and WILLIAM J. LIPPMAN,

Defendants, and

FRANKLIN BALANCE SHEET INVESTMENT
FUND,

Nominal Defendant.

Civil Action No. 04-11195 (MLW)

REPORTING ON STATUS AND PROSPECTS FOR SETTLEMENT

Attorneys Edward F. Haber and Daniel A. Pollack had a productive conversation regarding a possible resolution of this action. However, as of the date of this filing, there is no immediate prospect of settlement.

Dated: October 12, 2005

Respectfully submitted,

Plaintiff Eric R. Bahe
by his Attorneys,

Defendants Franklin/Templeton
Distributors, Inc. And William J. Lippman
by their Attorneys

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